




GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	SB0038	<b>Title:</b>	District allowed to pay educationally-relevant travel from transportation budget
<b>Primary Sponsor:</b>	Ryan, D.	<b>Status:</b>	As Amended in Senate Education Committee 

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|--|--|--|
| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Include in HB 2    | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget        | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### **FISCAL SUMMARY**

	<b><u>FY 2008 Difference</u></b>	<b><u>FY 2009 Difference</u></b>	<b><u>FY 2010 Difference</u></b>	<b><u>FY 2011 Difference</u></b>
<b>Expenditures:</b>				
General Fund	unknown	unknown	unknown	unknown
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance</b>	<u>unknown</u>	<u>unknown</u>	<u>unknown</u>	<u>unknown</u>

**Description of fiscal impact:** SB 38 will allow school districts to claim mileage reimbursements under the state and county transportation aid program for school buses used for field trips and school-related athletics and activity trips. The fiscal impact for the state cannot be determined.

### **FISCAL ANALYSIS**

#### **Assumptions:**

1. School bus routes for transporting pupils to and from school or among school instructional sites are not affected by the bill
2. School districts that conduct field trips and school related athletics and activity trips using school buses will charge the busing costs (bus drivers and aides, fuel, insurance, and bus usage charge to cover wear and tear, etc.) to the district transportation fund. Districts will charge any other travel costs (lodging, meals, etc.) of these trips to other available funds, which will likely include the general fund, impact aid fund, metal mines fund, flexibility fund, and student extracurricular fund.
3. School bus mileage for field trips and school-related athletics and activities trips will be reimbursed using state and county transportation aid at the rates provided in MCA 20-10-141 in the year.
4. Districts will budget the full cost per mile of busing for the trips, and districts will receive a portion of the cost through mileage reimbursements under MCA 20-10-141. To fund the remaining cost per mile, some

districts will increase the permissive district transportation levies. In FY 2006, total statewide district transportation fund expenditures for transportation to-and-from school were \$54.9 million. Of that amount, the state paid \$12.4 million (22.6%), counties paid \$12.3 million (22.4%), and district transportation levies and non-levy revenues paid \$30.2 million (55%). Districts will increase permissive transportation tax levies to support approximately 55% of the cost of busing for the trips under this bill.

5. In FY 2006, districts reported the following total costs of busing for school-related athletics and activities:

<b>Travel costs for athletics:</b> (Program 720, function 27XX)	
General Fund	\$1.76 million
Miscellaneous Programs Fund (non federal programs)	\$0.05 million
Impact Aid Fund	\$0.19 million
Extracurricular Fund	Unknown (see assumption 7)
Total	\$2.0 million +
<b>Travel costs for activities:</b> (Program 710, function 27XX)	
General Fund	\$0.65 million
Impact Aid Fund	\$0.04 million
Extracurricular Fund	Unknown (see assumption 7)
Total	\$0.69 million +
<b>Minimum Total</b> (see assumption 7)	
	\$2.69 million +

6. Districts pay significant costs of travel for school related athletics and activities using the district extracurricular fund. Total statewide extracurricular fund expenditures for FY 2006, including all extracurricular clubs, events, etc., was \$32.9 million. The amount of extracurricular fund used for busing for trips cannot be determined from the districts' reporting because districts typically report a single line of uncategorized expenditures in that fund.
7. The cost of field trips is reported as an instructional cost (expenditure function 1XXX) on district expenditure reports. Because it is intermingled with all instructional costs, the current cost of field trips is not known.
8. Currently, districts must fit such trips into existing budgets at district expense, which has a limiting effect on the trips being taken. Under this bill, districts may receive reimbursement for a portion of the busing for such trips from the state and county. Some districts will increase the number of trips, the length of trips, or the types of trips being taken. The fiscal impact cannot be estimated.
9. By moving busing costs for the trips to the transportation fund, some districts will free up general fund budget for other purposes. The current statewide cost of general fund busing for school related athletics and activity trips is \$2.41 million per year (\$1.76 million for athletics and \$0.65 million for activities). Districts will use that amount of general fund budget for purposes other than busing for athletics and activities.
10. At a minimum, districts will move \$2.41 million of busing costs to the transportation fund (note 10), which will result in increased state cost of \$0.54 million (22.6%), increased county cost of \$0.54 million (22.4%) and increased district cost of \$1.3 million (55%). The number of trips and mileage for busing under this bill is not limited, so the actual cost cannot be determined.

#### **Effect on County or Other Local Revenues or Expenditures:**

- Counties will increase county transportation fund tax levies by an undeterminable amount to support the increased county transportation aid.
- Permissive levies in the district transportation fund will increase by an undetermined amount to support the busing costs that exceed state and county mileage reimbursements.

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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*